

1 you is called an ownership report. It's a document that is
2 filed with the Federal Communications Commission.

3 A Mm-hmm.

4 Q As a general proposition, do you have any idea
5 what it is that I'm talking about when I use the term
6 ownership report?

7 A Individual who has ownership of the business?

8 Q As I said, when I get to a particular report, then
9 I will show it to you.

10 A Okay.

11 Q I may have some questions based on that. Does the
12 name Leonile A. Sealey mean anything to you?

13 A Yes, it does.

14 Q And what does that name mean to you?

15 A She is a very close friend to the family. As a
16 matter of fact, she was like my caretaker when I was much
17 younger. In addition, she worked as my father's secretary.

18 Q Do you know if she still works in that capacity as
19 your father's secretary?

20 A No, sir. No, sir. She no longer works with him.

21 Q Do you have any knowledge as to approximately when
22 their relationship --

23 A It has been a while. Yeah, it has been a while.
24 Some years ago.

25 Q Have you ever sold stock in Family Broadcasting,

1 Inc. to anyone?

2 A No, sir.

3 Q Have you ever given stock in Family Broadcasting,
4 Inc. to anyone?

5 A No, sir.

6 Q Do you know if anyone has sold stock in Family
7 Broadcasting, Inc. to anyone?

8 A Not that I know of.

9 Q Now what is Barbara -- what is your sister
10 Barbara's husband's name?

11 A Kelvin Petersen.

12 Q And how often have you had occasion to see Mr.
13 Petersen?

14 A On occasions when I travel to D.C., I may run into
15 him. Not ordinary, but --

16 Q Has he been to the Virgin Islands within the last
17 five years?

18 A Yes, he has.

19 Q Approximately how often?

20 A Not often. He is running a truck on the roads up
21 here, an 18-wheeler. Not often.

22 Q Was that a business that he is involved personally
23 in driving the rigs, or does he have employees that he
24 oversees?

25 A I couldn't say.

1 Q Do you know whether Mr. Petersen pays your father
2 or mother anything in connection with the living expenses of
3 Barbara and their children?

4 A I don't know.

5 Q With respect to the operations of WSTX-AM and FM,
6 do you know what the stations charge for commercial time?

7 A No, sir.

8 Q Other than perhaps what you had to pay for your --

9 A Political.

10 Q Political ads.

11 A And I couldn't tell you right off the hand, but
12 they did send flyers out as well as the other stations.

13 Q And how many other stations are there?

14 A There are quite a number of stations.

15 Q Well, let's focus primarily on the island of St.
16 Croix.

17 A Just WRRR, which is an AM station. All the other
18 stations are FM.

19 Q And approximately how many are there?

20 A I would say about six. That would be --

21 Q Approximately.

22 A Yeah.

23 Q Are there other radio stations that you are aware
24 of that are licensed to a community in the United States
25 Virgin Islands that also supply radio service to the island

1 of St. Croix?

2 A No, sir.

3 Q Perhaps a better way of phrasing that question
4 would be if you're on the island of St. Croix, and you want
5 to flip the dial, how many different radio stations could
6 you get?

7 A Locally?

8 Q Right.

9 A You can go from one end of the band to the other.

10 Q It's pretty full?

11 A Yeah. Between St. Thomas and St. Croix. And you
12 will also be picking up the adjacent islands of Tortola, as
13 well as Puerto Rico. We get those stations pretty strong.

14 Q I'm not all that familiar with the geography and
15 the political affiliations of everything. But I know St.
16 Thomas and St. Croix are connected. They're both part of
17 the United States Virgin Islands.

18 A St. Thomas, St. Croix, St. John, and as of 1995,
19 by the Department of Interior, Water Island, which we're
20 supposed to call now the fort of the United States Virgin
21 Islands.

22 Q Now you had mentioned, though, another place. The
23 name is --

24 A Tortola?

25 Q Right.

1 A That's the British Virgin Islands.

2 Q Okay. So for our purposes, radio stations there
3 don't count.

4 A I wouldn't say that. They're very strong.

5 Q I don't mean to suggest that they don't supply,
6 you know, worthwhile programming or other service to United
7 States Virgin Islands. But as part of the Federal
8 Communications Commission, we don't have anything to do with
9 them.

10 A Is that right?

11 Q Well, they're British, and we're not.

12 A I thought we did.

13 Q Now do you listen to the radio stations WSTX-AM
14 and FM on the weekends?

15 A Every day.

16 Q Every day? It's my understanding that there are I
17 guess religious programmers that appear with some frequency
18 on Saturdays and Sundays.

19 A You're familiar with it.

20 Q I have some knowledge.

21 A Yeah.

22 Q And that would comport with your knowledge of the
23 programming on the stations?

24 A Yes, sir.

25 Q Do you have any idea what any of those entities

1 pays for the time that they --

2 A No, sir.

3 Q -- have on the radio stations?

4 A No, sir.

5 Q Do you have any idea of who decides what it is
6 they should pay, if anything?

7 A That would be my sister.

8 Q Have you ever discussed with your sister whether
9 any such rates should ever be changed?

10 A Oh, no, sir. I don't discuss anything of the
11 radio station.

12 Q Have you ever seen stock certificates for Family
13 Broadcasting, Inc. in the name of your parents?

14 A No, sir.

15 Q Do you know of anyone who has?

16 A No, sir.

17 Q Do you have any role whatsoever in determining
18 whoever appears on the radio stations WSTX-AM and FM?

19 A No, sir.

20 (Discussion off the record)

21 MR. SHOOK: All right. I'm about to ask about
22 particular documents. I'd like to take about a three minute
23 break before getting started with that.

24 MR. COLBY: That's fine.

25 (Recess)

1 BY MR. SHOOK:

2 Q Back on the record. I'm going to show you a
3 series of documents, Mr. James, and ask you some questions
4 about them. If it turns out that you're not familiar with
5 the document, that is certainly something that you can add.
6 But the questions I'd probably want to ask anyway.

7 The first document I'm going to show you is an FCC
8 315 application for consent to transfer control of entity
9 holding broadcast station, construction permit, or license,
10 and it bears a file number BTC-20010315AHA. And attached to
11 that -- well, I'll tell you what. Why don't I just hand you
12 this.

13 A You said this is an application transfer?

14 Q Yes, transfer of control of a broadcast station
15 entity.

16 MR. COLBY: Can we clarify this is an application
17 for transfer of control of FBI from Luz and Asta James to
18 the children of Luz and Asta James?

19 MR. SHOOK: Most certainly.

20 MR. COLBY: Okay.

21 (Witness examined document)

22 BY MR. SHOOK:

23 Q First off, have you ever seen this document
24 before?

25 A No, sir.

1 Q Turning to page 2 of the document, there is a
2 representation concerning Gerard Luz A. James, Estate 83,
3 Anna's Hope Christiansted, United States -- St. Croix,
4 United States Virgin Islands. I take it the person
5 referenced there is your father?

6 A Yes, sir.

7 Q And the next entry noted concerns Asta K. James,
8 also of Estate 83, Anna's Hope Christiansted, St. Croix,
9 U.S. Virgin Islands. That represents your mother?

10 A Yes, it does.

11 Q Now according to this document, the percentage of
12 votes before the transfer or assignment that your father has
13 in Family Broadcasting, Inc. is 51 percent. Do you see
14 that?

15 A Yes, I do.

16 Q Do you have any knowledge as to how that 51
17 percent figure was derived?

18 A No, I don't. I thought he had, first of all, full
19 ownership of everything.

20 Q Well, we're going through this in part so that we
21 can all figure out who owns what.

22 A Okay.

23 Q And if that was your understanding, that's fine.

24 A All the time, yeah.

25 Q Now with respect to your mother, the percentage of

1 votes is reflected as being 42. Do you have any knowledge
2 as to how that figure was derived?

3 A No, I don't.

4 Q Now turning to page 4 of the document, in terms of
5 its -- let's see, question No. 9. There is what is
6 referenced as, you know, typed signatures. Not really a
7 signature, but there is a name there, Barbara James
8 Petersen. That is your sister?

9 A That's correct.

10 Q And according to this document, she has the title
11 of president. Is that something that you were aware of,
12 that she was president of Family Broadcasting, Inc.?

13 A I was made aware of that, yes.

14 Q Made aware of it. Approximately when were you
15 made aware of that?

16 A 2001, somewhere around there.

17 Q Do you have any knowledge as to how it is that
18 Barbara became president of Family Broadcasting, Inc.?

19 A Is this the period when we were trying to just get
20 my dad out of everything?

21 Q That's related.

22 A Okay.

23 Q So, I mean, that's how you remember it?

24 A Yeah, yeah.

25 Q And to your knowledge, has that been accomplished?

1 And by that, I mean getting your dad out of everything.

2 A In terms of him having authority?

3 Q In Family Broadcasting, Inc., yes.

4 A Since that period, he has not, that I know of,
5 even though he may act as though he does.

6 Q Who is it that does have authority?

7 A I would say my sister.

8 Q Turning to page 5 of the document, there are a
9 number of people whose names appear. And the first name
10 that appears under entry 6A, parties to the application,
11 appears to be Barbara James Petersen, 83 Anna's Hope
12 Christiansted, St. Croix, U.S. Virgin Islands. That is your
13 sister?

14 A Yes, it is.

15 Q According to this document, she is the president
16 and a director?

17 A According to the document, yes.

18 Q And does that comport with your knowledge of the
19 situation?

20 A To a degree. If I may just say that pretty much
21 what we see here, I will say yes.

22 Q The next name that appears -- it looks like your
23 brother Emmeth?

24 A Yes.

25 Q And this reflects an address of 16911 --

1 A No. That's 169th Street.

2 Q Oh, 169th Street?

3 A Yeah. That's t-h, I would presume.

4 Q Very good. 169th Street in the Bronx. Now
5 according to this document, he holds the role of treasurer?

6 A Yes, that's correct.

7 Q And are you aware of whether or not your brother
8 in fact is the treasurer?

9 A I would presume, yeah.

10 Q This document also represents that your brother is
11 a director. Is it your knowledge that he is in fact a
12 director?

13 A From what I understood, I guess so, yes.

14 Q The next name that appears on the list looks like
15 yours.

16 A It certainly is.

17 Q And the address that is reflected there is --

18 A 7H.

19 Q Catherine's Rest. Now what connection does that
20 address have to you?

21 A That's the address that I used to reside at, but
22 it wasn't really 7H. It was 7C. But just for purposes --
23 the whole plat is 7H. The apartment I was in was 7C.

24 MR. COLBY: May I ask the witness a question about
25 that? I can bring it out later on redirect, but I'd rather

1 bring it out now.

2 MR. SHOOK: That's fine.

3 MR. COLBY: Do you have a driver's license with
4 you?

5 THE WITNESS: I certainly do.

6 MR. COLBY: Would you pull it out, please?

7 (Pause)

8 MR. COLBY: Let the record show that the witness
9 is handing me his driver's license. Is the address shown on
10 that driver's license 7C Catherine's Rest?

11 THE WITNESS: Yes, it is.

12 MR. COLBY: Okay. And you have always used that
13 on your driver's license?

14 THE WITNESS: Yes, sir.

15 MR. COLBY: And that's the same address your
16 sister put down for you in the application, correct?

17 THE WITNESS: That is correct.

18 MR. COLBY: Can you get mail at that address? If
19 mail is sent to you at that address, will it reach you?

20 THE WITNESS: Yes, sir. But I would rather give
21 you a P.O. box.

22 MR. SHOOK: We'll get to that.

23 THE WITNESS: Okay.

24 MR. COLBY: The only point I'm trying to make,
25 sir, is that when your sister gave that address, it was a

1 valid address.

2 THE WITNESS: Yes, it was. Yes, it was.

3 MR. COLBY: All right. Thank you. Did you see
4 the driver's license, Mr. Shook?

5 MR. SHOOK: Yes, I did. Thank you.

6 Now the document also represents that you have the
7 title of vice president of Family Broadcasting, Inc. And
8 I'd asked you before whether or not you were an officer of
9 Family Broadcasting, Inc., and you answered --

10 THE WITNESS: I told you no.

11 MR. SHOOK: Correct.

12 THE WITNESS: I remember.

13 BY MR. SHOOK:

14 Q Now does this document assist your memory and lead
15 you to alter the answer that you gave me before?

16 A On the basis of this, I would say yes. We were
17 trying to put things together and really separate my father
18 from the control that he had, yes.

19 Q So it is your understanding that you are indeed a
20 vice president of Family Broadcasting, Inc.?

21 A Can I be off the record for a second?

22 MR. SHOOK: Let's go off for a second.

23 (Off the record)

24 BY MR. SHOOK:

25 Q So to back up a bit, the document represents that

1 you are a vice president of Family Broadcasting, Inc. Would
2 that be your understanding, that you are indeed a vice
3 president?

4 A Yes, sir.

5 Q So that when you answered the question that I
6 posed before about whether you were an officer, you
7 misremembered?

8 A I would say yes.

9 Q The document also reflects that you are a director
10 of Family Broadcasting, Inc. Is that consistent with your
11 understanding of the situation?

12 A Yes, it is.

13 Q And when I asked you before whether or not you
14 were a director, and you answered no, you misremembered?

15 A Yes.

16 Q Now there were a series of questions that I
17 believe I'd asked in connection with that, or perhaps I
18 didn't ask in connection with that because of the answer.
19 Are you aware of having participated in any directors'
20 meetings of Family Broadcasting, Inc.?

21 A No, I'm not aware of that.

22 Q Are you aware of whether or not any directors'
23 meetings have taken place?

24 A No. I'm not aware of that either.

25 Q Is there anything that you recall that you have

1 done in your capacity as a director of Family Broadcasting,
2 Inc.?

3 A Try to help my sister as best as I can and just
4 whatever I can to help move her and the station.

5 Q Do you have anything specific in mind?

6 A I bought a reel-to-reel one time. Nothing other
7 than that.

8 Q When did that take place, roughly?

9 A Three years ago.

10 Q That was before you became an officer or director
11 of Family Broadcasting, Inc., though, wasn't it?

12 A Yes.

13 Q Are you aware of any action that you have taken as
14 vice president, in your capacity as vice president of Family
15 Broadcasting, Inc.?

16 A No, sir.

17 Q Are you aware of any meetings of officers of
18 Family Broadcasting, Inc. for the purpose of discussing
19 Family Broadcasting, Inc.'s business?

20 A I have met my sister on occasions.

21 Q To discuss Family Broadcasting, Inc. business?

22 A Indirectly, to -- I make a sounding board for my
23 sister whenever my dad just goes the wrong way.

24 Q When you have acted as a sounding board, do you
25 remember what if anything you and your sister -- what were

1 the topics that you and your sister would talk about?

2 A Talk about home, where she is at with my parents.
3 We talk about the radio station, basically in general.

4 Q In terms of the radio stations, have you ever
5 talked about radio station finances?

6 A No.

7 Q Have you ever talked about radio station
8 programming?

9 A No.

10 Q Have you ever talked about equipment needs that
11 the station may have?

12 A Yes. That we have mentioned, yes.

13 Q Do you remember what if anything you talked about?

14 A A transmitter.

15 Q When you talked about the transmitter, what is it
16 that came up, whether there was a need for a new one?

17 A There was a need.

18 Q There was a need. What decision -- or what
19 discussion did you have with your sister about a
20 transmitter?

21 A I told her I was willing to help her. But the
22 fact that my dad wants to always act like he is in control,
23 and I was totally against that.

24 Q Did your sister say anything to you about wanting
25 to get a new transmitter?

1 A I think there was a need for a transmitter, if I'm
2 not mistaken.

3 Q Was the need for a transmitter because the current
4 one was not working?

5 A I don't know what was the whole thing that was
6 behind it. But I think there was a need for one.

7 Q Do you know whether that need has been met?

8 A No, I don't.

9 Q How long ago did this discussion --

10 A Like I said, about three years ago.

11 Q About three years ago. Has there been a
12 discussion subsequent to that time about a transmitter?

13 A No.

14 Q Has there ever been a discussion with your sister
15 about radio station towers?

16 A She didn't discuss that with me, no, about towers.

17 Q Did anybody else discuss that with you?

18 A Yeah. I had a discussion one time with a
19 competitor, Pemberton, for WRRR.

20 Q How long ago did that discussion take place,
21 roughly?

22 A About a year and a half, two years ago.

23 Q And what was it that was discussed?

24 A The tower that he has, he approached me, and he
25 mentioned that he knew exactly the company and that he would

1 be willing to help get one installed. That's basically it.

2 Q Did anything come of that discussion?

3 A No.

4 Q Do you know why not?

5 A At that point in time, no, no. Our conversation
6 at that time was basically just on the tower because I knew
7 that STX did not have the type of tower that they wanted.

8 Q Do you know whether it yet has the type of tower
9 that it wants?

10 A No, I don't think so.

11 Q Do you know what reason, if any, there is for that
12 being the case?

13 A No, I don't.

14 Q Have you and your sister ever discussed the
15 programmers that are on WSTX?

16 A Not really. But I got -- I was influential in
17 getting one of the guys back on the air.

18 Q Which entity was that, or which person was that?

19 A He was a news reporter. He is no longer there.
20 He is very, very good.

21 Q So to that extent, you and your sister discussed a
22 personnel matter, a personnel matter relative to the radio
23 stations, this news person you're talking about?

24 A No. I'm friends with the sister of the news
25 reporter, and the sister had approached me and said that,

1 you know, the brother was interested in getting back on the
2 air. I just mentioned it to my sister, and she said, you
3 know, she'll make a contact with him, which she did. That
4 was about it.

5 Q How long ago did this person come back to work for
6 the radio station?

7 A '97, '98, somewhere around there.

8 Q When did that person leave the employ of the radio
9 station?

10 A 2000 or 2001, somewhere around there.

11 Q He has not worked at the radio station since?

12 A No.

13 Q Have you and your sister ever discussed any other
14 personnel matter with respect to the radio stations?

15 A No.

16 Q Have you ever discussed a personnel matter
17 concerning the radio stations with your father?

18 A Oh, no.

19 Q Have you ever discussed a personnel matter
20 concerning the radio stations with your mother?

21 A No.

22 Q Have you ever discussed a financial matter
23 concerning the radio stations with your father?

24 A No.

25 Q Have you ever discussed a programming matter

1 concerning the radio stations with your father?

2 A No.

3 Q Have you ever discussed equipment needs relative
4 to the radio stations with your father?

5 A No.

6 Q Have you ever discussed a financial situation of
7 the radio stations with either of your brothers?

8 A Emmeth, no. Kelsey -- we had just a slight
9 conversation one time, basically. .

10 Q Do you recall any of the particulars of that
11 conversation?

12 A He was just telling me that he wished my dad would
13 run the business the way I run mine.

14 Q The way you run your funeral home business?

15 A Yes, sir.

16 Q Have you ever talked with either of your brothers
17 about the equipment needs of the radio stations?

18 A No, sir.

19 Q Now on page 7 of the application that we have been
20 looking at, under the title Exhibit 11, there for yourself
21 is reference to P.O. Box 4617, Christiansted, St. Croix,
22 U.S. Virgin Islands. Is that your preferred mailing
23 address?

24 A It used to be.

25 Q It used to be. What is the current mailing

1 address that you prefer?

2 A Same thing, but P.O. Box 224605. What happened,
3 the post office relocated to another building, and they
4 reassigned new box numbers to the recipients.

5 Q Did your zip code change as a consequence?

6 A No, sir. It's the same, 00822.

7 Q Dash 4617?

8 A Dash 224605. Just the box number has changed.

9 Q I see.

10 A 224605.

11 Q Now should the Commission grant the application
12 that I've just been showing you, the form 315, what is your
13 understanding as to what you would get as a consequence of
14 favorable Commission action on that application?

15 A Part ownership.

16 Q That ownership would be in roughly equal shares
17 with your siblings?

18 A Four of us. Yeah, there are four of us.

19 Q So the ownership --

20 A So a quarter each, yeah.

21 Q It would essentially be one-fourth of Family
22 Broadcasting, Inc. less the shares that are owned by members
23 outside the immediate family? That's what you understand
24 the situation to be?

25 A Yes, sir.

1 Q Is that something you want?

2 A I would love to see WSTX. It has a hallmark
3 station. I'd love to see it being operated in the proper
4 way, and without my dad.

5 Q Is there anything that to your understanding that
6 prevents it being operated properly now?

7 A If you knew my father, he is one who will try to
8 intimidate people. And we were brought up in a real
9 disciplinary form, which was good form. And I guess because
10 of that, sometimes possibly you may feel indebted to
11 individuals, and being that he is your parent. But --

12 Q What opinion, if any, do you have as to the
13 ability of Barbara to deal with that intimidation factor,
14 considering that she resides at the home of your parents?

15 A Well, we could work around that.

16 Q You're confident that that could be overcome?

17 A Oh, yeah. She needs support. And that's why I'm
18 pretty much, like I said, a sounding board. I give her that
19 support.

20 Q So your support would be to counterbalance --

21 A Yes.

22 Q -- or counteract the influence that her --

23 A In a positive way.

24 Q That her father might --

25 A Be more proactive.

1 Q Her father might otherwise have?

2 A Yes.

3 Q Is there any particular reason that you know of
4 why it is that Barbara continues to reside at the family
5 home?

6 A None that I know of. One thing I think would be
7 important for us to make note of is that as a tradition
8 people in the islands -- and this you would find throughout
9 the Caribbean, that you would have people of age -- let's
10 say my dad was -- he's in his 70s. If he lives to see 90,
11 then Barbara could still be there. It's accepted. My aunt
12 lived with my grandmother until my grandmother passed at 95,
13 and my aunt lived alone and then moved in with my parents.
14 So it's a norm. It's really a norm. It's not like the U.S.
15 of A, where you would say once you reach 18, they would say,
16 well, you know, you got to go and find yourself a place.

17 Q Yes. I'm trying to find a way to gracefully get
18 that message across to some of my older children.

19 Speaking of your father, what is your
20 understanding of the current condition of his general
21 health?

22 A He had a triple bypass about two years ago. And
23 I've never asked how he is doing. He is supposed to be
24 watching his diet. He is supposed to be exercising. I
25 don't know if he is doing that.

1 Q What is your understanding of the current general
2 health condition of your mother?

3 A I think she is fairly well, with the exception --
4 most recently now, she is pretty much kind of easing her
5 shoulder, where she has bursitis or some type of ailment.
6 But other than that, I think she is all right.

7 Q The next document I want to show you appears to be
8 a 1997 United States corporate income tax return. And it's
9 seven pages in length, and it's connection with Family
10 Broadcasting, Inc. There is a signature and a date on the
11 front page of the form. The signature appears to be that of
12 Francisco Depusoir. The date in question appears to be July
13 6, 1998.

14 A That's my accountant. Or I should say the
15 gentleman that I use also is my accountant, yes.

16 Q Now I'm going to reference a couple of entries in
17 the form and ask you some questions about them. And if it
18 turns out that you have no idea what it refers to or that
19 you have no knowledge of it, that's fine. You can state
20 that. But on the other hand, if you do know what it is
21 about, then we can go from there. And also, while I'm
22 asking this, keep in mind that the form was filled out July
23 of 1998, so it may well be that the current situation
24 actually differs from what is represented in the form. So
25 I'll try to pose my questions so that they reference the

1 time frame that is related to the document.

2 The page that I'm showing you is page 4 of the
3 document. And first of all, under -- with respect to entry
4 10, there are figures. This concerns buildings and other
5 depreciable assets. And there are two figures there. Well,
6 actually, two lines there, one for 197,596. And then
7 underneath that, less accumulated depreciation of 89,907.
8 And then it leaves a figure of 107,689. And then that was
9 at the beginning of the year. And then at the end of the
10 year, there are figures of 197,596 and accumulated
11 depreciation of 103,868 for a final figure of 93,728.

12 Do you have any knowledge as to what those figures
13 represent?

14 A No, sir.

15 Q Moving down to lines 13A and 13B, the intangible
16 assets. There is a figure of 562,518 less accumulated
17 amortization of 107,567, leaving the figure of 454,951, and
18 that's for the beginning of the year. Then when you get to
19 the end of the year, again the figure 562,518, less
20 accumulated amortization of 138,696, leaving 423,822. Do
21 you have any knowledge as to what these figures represent?

22 A No, sir.

23 Q Under the category of liabilities and
24 stockholders' equity, particularly line 19, loans from
25 stockholders, at the beginning of the year the figure is

1 205,806, and at the end of the year, that figure 237,217.
2 Do you have any knowledge as to what those figures
3 represent?

4 A It says loan. And it could be a loan from the
5 bank.

6 Q And if you don't know, that's fine. And that's
7 certainly a reasonable explanation if that's what your
8 understanding is that represents.

9 A I really don't know that. I would guess that's
10 what it is.

11 Q Now underneath it, on line 20, there is a category
12 for mortgages, notes, bonds payable in one year or more.
13 And at the beginning of the year, that figure was 442,334,
14 and at the end of the year, it was 433,370. Do you have any
15 knowledge what mortgages, notes, or bonds payable in one
16 year or more --

17 A No, sir.

18 Q -- represented here?

19 A No, sir.

20 Q Moving down to line 25, the figure for retained
21 earnings, the figure at the beginning of the year was
22 negative 574,883, and at the end of the year, it was
23 negative 622,025. What would your understanding be, based
24 on these figures, as to what is happening to this business?

25 A They have a big deficit.

1 Q Do you have any idea, or do you have any
2 knowledge, as to how that deficit is being funded?

3 A No, sir.

4 Q Do you have any knowledge as to whether or not --
5 now given that this is the 1997 tax return, and it was
6 prepared in July of 1998. Do you have any knowledge as to
7 whether more recent tax returns have been prepared in
8 connection with Family Broadcasting, Inc.?

9 A On the federal side?

10 Q Yes, sir.

11 A No, sir, I don't.

12 Q Do you have any knowledge as to whether the losses
13 that are reflected in line 25, whether that situation has
14 changed at all?

15 A I couldn't say, sir. I don't know.

16 Q Do you have any knowledge as to whether Family
17 Broadcasting, Inc. has turned a profit in the last three
18 years?

19 A I really don't know, sir.

20 Q Do you have any knowledge as to who would know?

21 A That I couldn't say.

22 Q The next document that I'm going to show you is
23 three pages in length and bears a title, notice of
24 violation, and it is connected with WSTX-AM. And also, for
25 the record, the release date on this document is May 1,

1 2000.

2 First of all, have you ever seen this document
3 before?

4 A No, sir.

5 Q Turning to page 2 of the document, the first
6 bullet that is referenced concerns 47 CFR Section
7 73.3526(a)(2). And the reference there concerns the
8 station's public file. Have you ever seen the station's
9 public file?

10 A No, sir.

11 Q Do you have any idea what is being referred to by
12 the station's public file?

13 A No, sir.

14 Q Do you have any knowledge as to whether the bullet
15 that is referenced in this notice of violation is accurate?

16 A No knowledge whatsoever.

17 Q Assuming for the sake of discussion that the
18 bullet is accurate, do you have any knowledge as to whether
19 or not the situation has been corrected?

20 A I couldn't say.

21 MR. COLBY: When you answer, please don't just
22 shake your head. Say no.

23 THE WITNESS: Okay, no. I'm sorry. No.

24 BY MR. SHOOK:

25 Q Moving down to the last bullet that is referenced

1 there that concerns 47 CFR Section 73.49, are you aware of
2 whether or not there is currently a fence that encloses the
3 tower for WSTX?

4 A No.

5 Q Perhaps -- you're giving me a quizzical look,
6 which suggests you may not have understood the question that
7 I was asking. If you go to where the WSTX-AM tower is --
8 first of all, have you ever been there?

9 A Yes, I have.

10 Q Are you aware of whether or not there is a fence
11 that encloses that radio tower?

12 MR. COLBY: Mr. Shook, this question is a little
13 bit misleading because they are operating with a long wire
14 antenna on a temporary basis, so there really is no tower
15 there. May I clarify the question?

16 MR. SHOOK: That's fine.

17 THE REPORTER: Can you sit closer to the
18 microphone.

19 (Laughter)

20 MR. COLBY: I'm telling the witness not to do it,
21 then I go ahead and do it.

22 Mr. James, have you been out to the radio station
23 property recently?

24 THE WITNESS: Yes, I have.

25 MR. COLBY: Do you know where the long wire

1 antenna is located, AM?

2 THE WITNESS: Yes, yes.

3 MR. COLBY: Is there a fence around the property
4 where that long wire antenna is located?

5 THE WITNESS: There always used to be a fence
6 around it.

7 MR. COLBY: Well, how recently have you been out
8 there?

9 THE WITNESS: Up until the -- it was the second of
10 November.

11 MR. COLBY: Oh, when you went out for the
12 political broadcast?

13 THE WITNESS: Yes.

14 MR. COLBY: Did you notice whether the fence was
15 still there?

16 THE WITNESS: I really didn't pay any attention.

17 MR. COLBY: But the last time that you did pay
18 attention, there was a fence. Is that correct?

19 THE WITNESS: Yes, sir.

20 MR. COLBY: All right.

21 MR. SHOOK: Thank you for that clarification,
22 Counsel.

23 MR. COLBY: Madam, I'm sorry. I was telling the
24 witness not to do it, then I went ahead and did it.

25 (Pause)